

STATE GOVERNMENT FINANCES- Weekly SGS

Weighted average cut-off of SGS
receded by 8 bps to 7.61%, touching
an 11-week low

DECEMBER 19, 2023



12 states and 1 UT raised Rs. 197 billion, a mild ~4% above the amount indicated in the Q3 FY2024 auction calendar

Weighted average cut-off of SGS eased by 8 bps to 7.61% on December 19, 2023

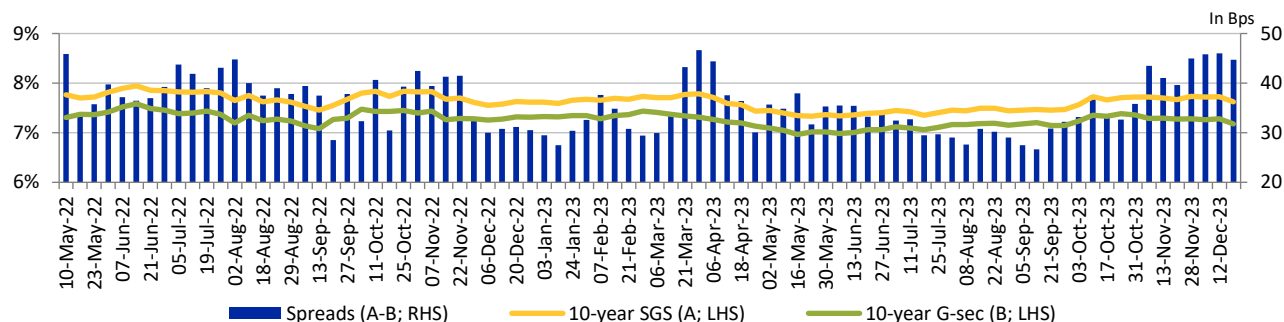
Spread between cut-off of 10-year SGS and 10-year G-sec yield eased mildly to 45 bps on December 19, 2023, from 46 bps each in the last two weeks

Twelve state governments and one Union Territory (UT) raised Rs. 197 billion through state government securities (SGS) on December 19, 2023. After a gap of two weeks, the SGS issuance was higher than the amount indicated for this week in the Q3 FY2024 auction calendar, albeit by a mild ~4%. Tracking the recent softening in the G-sec yields, the weighted average cut-off of the SGS eased to 7.61% on December 19, 2023, from 7.69% last week. This is despite the increase in the weighted average increase to 13 years from 11 years during the same period. The spread between the cut-off of 10-year SGS and the 10-year G-sec (7.18 GS 2033) yield declined mildly to 45 bps on December 19, 2023, from 46 bps each in the last two weeks.

Exhibit: SGS issuances during FY2024 (so far)

Amount in Rs. Billion	Indicated	Notified	Raised	Cumulative till this week
Week of December 19, 2023	189	197	197	5,833
Week of December 20, 2022	184	140	120	4,343
Growth	2.5%	40.4%	63.7%	34.3%

Exhibit: Spread between weighted average cut-off of 10-year State and GoI G-sec





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